



Employment and Training Administration

Notice of Conditional Approval of New York States' Application for the Partial Deferral of Interest Accrued on Outstanding Title XII Loans Otherwise Payable on or before September 30, 2021

Title XII Section 1202(b)(3)(C) of the Social Security Act (SSA) provides that a state may defer payment of three-fourths of interest due on outstanding advances to state unemployment trust funds under Title XII Section 1201 SSA on or before September 30 of a given year if the state's rate of insured unemployment (IUR) during the first six months of the prior calendar year equaled or exceeded 7.5 percent. Title XII Section 1202(b)(3)(C)(i) and 20 CFR 606.41(c) provide that a qualifying state must pay at least 25 percent of the amount due on or before September 30 of the taxable year, and must pay at least one-third of the remaining amount on or before September 30 in each of the following three years. 20 CFR 606.41(d) further clarifies that the timely and full payment of one-fourth of the interest due prior to October 1 is a precondition to approval of this deferral.

The New York State Department of Labor applied for this deferral prior to the July 1, 2021 deadline. Pursuant to 20 CFR 606.41(e)(2) the Employment and Training Administration has confirmed that the state's rate of insured unemployment exceeded the 7.5 percent threshold during the first 6 months of calendar year 2020. As such New York's application for the high unemployment deferral has been conditionally approved contingent on the timely payment of one-fourth of the interest due on or before September 30, 2021.

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